

February 1, 2021

BY ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket 5099 - Proposed FY 2022 Gas Infrastructure, Safety, and Reliability Plan Responses to PUC Data Requests – Set 3 (Batch 2)

Dear Ms. Massaro:

I have enclosed an electronic version of National Grid's¹ second batch of responses to the Rhode Island Public Utilities Commission's Third Set of Data Requests in the above-referenced matter.

The Company received an extension to February 5, 2021 to file its responses to the following remaining data requests in this set: PUC 3-6, 3-7, 3-10, 3-17, 3-18, and 3-31.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 5099 Service List
Leo Wold, Esq.
Al Mancini, Division
John Bell, Division
Rod Walker, Division

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company").

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

February 1, 2021

Date

Docket No. 5099- National Grid's FY 2022 Gas Infrastructure, Safety and Reliability (ISR) Plan - Service List 1/7/2021

Name/Address	E-mail Distribution	Phone
Raquel J. Webster, Esq. National Grid 40 Sylvan Road Waltham, MA 02451	raquel.webster@nationalgrid.com ;	781-907-2121
	celia.obrien@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	Jennifer.Hutchinson@nationalgrid.com ;	
National Grid Amy Smith Melissa Little Lee Gresham Ryan Scheib	Amy.smith@nationalgrid.com ;	
	Robert.Gresham@nationalgrid.com ;	
	Melissa.Little@nationalgrid.com ;	
	Ann.leary@nationalgrid.com ;	
	Theresa.Burns@nationalgrid.com ;	
	Michael.Pini@nationalgrid.com ;	
	Nathan.Kocon@nationalgrid.com ;	
	McKenzie.Schwartz@nationalgrid.com ;	
	Ryan.Scheib@nationalgrid.com ;	
Division of Public Utilities & Carriers Leo Wold, Esq.	Leo.Wold@dpuc.ri.gov ;	401-780-2130
	Margaret.I.hogan@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	John.bell@dpuc.ri.gov ;	
	Robert.Bailey@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
	MFolcarelli@riag.ri.gov ;	
Rod Walter, CEO/President Rod Walker & Associates	Rwalker@RWalkerConsultancy.com ;	706-244-0894
Office of Energy Resources (OER) Albert Vitali, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor	Albert.Vitali@doa.ri.gov ;	
	Nancy.Russolino@doa.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Nicholas.Ucci@energy.ri.gov ;	

Providence, RI 02908	Carrie.Gill@energy.ri.gov ;	
File an original & five (5) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Patricia.lucarelli@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
Conservation Law Foundation James Crowley, Esq. Conservation Law Foundation 235 Promenade St. Suite 560, Mailbox 28 Providence, RI 02908	jcrowley@clf.org ;	401-228-1904

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-3

Request:

Please provide the Company's most current forecast of and budget spending for FY 2021, breaking down the spending components in a form similar to Table 1 for FY 2021, adding a column next to the original budget showing forecasted expenditures through FY 2021 and budget expenditures. Please also provide a revised Table 3, adding a column for the forecasted spending for FY 2021 and the approved budget for 2021.

Response:

Please see Attachment PUC 3-3-1 for an updated version of Table 1 for FY 2021.

Additionally, please see Attachment PUC 3-3-2 for an updated version of Table 3, which now includes the forecasted spend for FY 2021 and the approved budget for FY 2021.

Capital Spending by Investment Categories - Detail							
FY 2021 through December 31, 2020							
(\$000)							
Categories	FYTD			FY 2021 - Total			
	Budget	Actual	Variance	Budget	Forecast	Variance	
NON-DISCRETIONARY							
Public Works							
CSC/Public Works - Non-Reimbursable	\$16,681	\$10,583	(\$6,098)	\$17,368	\$15,122	(\$2,246)	
CSC/Public Works - Reimbursable	\$1,052	\$562	(\$490)	\$1,403	\$850	(\$553)	
CSC/Public Works - Reimbursements	(\$1,052)	(\$1,166)	(\$114)	(\$1,403)	(\$1,650)	(\$247)	
Public Works Total	\$16,681	\$9,979	(\$6,702)	\$17,368	\$14,322	(\$3,046)	
Mandated Programs							
Corrosion	\$1,049	\$1,066	\$17	\$1,166	\$1,166	\$0	
Purchase Meters (Replacements)	\$4,100	\$3,631	(\$469)	\$4,852	\$4,933	\$81	
Reactive Leaks (CI Joint Encapsulation/Service Replacement)	\$10,016	\$5,883	(\$4,133)	\$12,280	\$9,097	(\$3,183)	
Service Replacements (Reactive) - Non-Leaks/Other	\$1,856	\$1,243	(\$612)	\$2,096	\$1,600	(\$496)	
Main Replacement (Reactive) - Maintenance (incl Water Intrusion)	\$510	\$936	\$426	\$680	\$1,139	\$459	
Transmission Station Integrity	\$586	\$43	(\$543)	\$610	\$42	(\$568)	
Other Mandated	\$0	(\$2)	(\$2)	\$0	\$85	\$85	
Mandated Total	\$18,116	\$12,800	(\$5,316)	\$21,684	\$18,062	(\$3,707)	
Damage / Failure (Reactive)							
Damage / Failure (Reactive)	\$187	\$0	(\$187)	\$249	\$93	(\$156)	
NON-DISCRETIONARY TOTAL	\$34,984	\$22,780	(\$12,204)	\$39,301	\$32,477	(\$6,909)	
DISCRETIONARY							
Proactive Main Replacement							
Main Replacement (Proactive) - Leak Prone Pipe	\$54,856	\$52,056	(\$2,799)	\$59,250	\$56,808	(\$2,442)	
Main Replacement (Proactive) - Large Diameter LPCI Program	\$3,212	\$1,377	(\$1,835)	\$3,398	\$1,438	(\$1,960)	
Atwells Avenue	\$5,081	\$5,621	\$539	\$5,081	\$5,520	\$439	
Proactive Main Replacement Total	\$63,149	\$59,054	(\$4,095)	\$67,729	\$63,766	(\$3,963)	
Proactive Service Replacement							
Proactive Service Replacement Total	\$349	\$180	(\$169)	\$350	\$160	(\$190)	
Reliability							
Gas System Control	\$59	\$19	(\$40)	\$118	\$64	(\$54)	
System Automation	\$1,139	\$904	(\$235)	\$1,252	\$1,115	(\$137)	
Heater Installation Program	\$2,273	\$2,340	\$67	\$2,961	\$2,524	(\$438)	
Pressure Regulating Facilities	\$7,602	\$3,705	(\$3,898)	\$7,849	\$4,297	(\$3,552)	
Allens Ave Multi Station Rebuild	\$6,200	\$7,779	\$1,579	\$6,200	\$8,421	\$2,221	
Take Station Refurbishment	\$746	\$383	(\$363)	\$995	\$666	(\$329)	
Valve Installation/Replacement (incl Storm Hardening & Middletown/Newport)	\$531	\$113	(\$417)	\$676	\$376	(\$300)	
Gas System Reliability	\$2,132	\$476	(\$1,656)	\$2,371	\$598	(\$1,773)	
I&R - Reactive	\$1,044	\$1,018	(\$26)	\$1,392	\$1,399	\$7	
Distribution Station Over Pressure Protection	\$3,381	\$919	(\$2,462)	\$3,636	\$1,620	(\$2,016)	
LNG	\$3,482	\$1,161	(\$2,321)	\$6,433	\$2,657	(\$3,776)	
Aquidneck Island Long Term Capacity Options	\$0	\$3	\$3	\$0	\$700	\$700	
Replace Pipe on Bridges	\$1,460	(\$13)	(\$1,472)	\$1,500	\$151	(\$1,349)	
Access Protection Remediation	\$229	\$71	(\$158)	\$260	\$260	\$0	
Tools & Equipment	\$384	\$214	(\$170)	\$603	\$603	\$0	
Reliability Total	\$30,664	\$19,093	(\$11,571)	\$36,246	\$25,451	(\$10,795)	
SUBTOTAL DISCRETIONARY (Without Gas Expansion)	\$94,162	\$78,327	(\$15,835)	\$104,325	\$89,377	(\$14,948)	
Southern RI Gas Expansion Project							
Pipeline	\$25,917	\$34,317	\$8,400	\$38,798	\$40,252	\$1,454	
Other Upgrades/Investments	\$598	\$663	\$65	\$451	\$710	\$259	
Regulator Station Investment	\$737	\$72	(\$665)	\$1,211	\$420	(\$791)	
Southern RI Gas Expansion Project Total	\$27,252	\$35,052	\$7,800	\$40,460	\$41,382	\$922	
DISCRETIONARY TOTAL (With Gas Expansion)	\$121,414	\$113,379	(\$8,035)	\$144,785	\$130,759	(\$14,026)	
CAPITAL ISR TOTAL (Base Capital - Without Gas Expansion)	\$129,146	\$101,106	(\$28,040)	\$143,626	\$121,854	(\$21,857)	
CAPITAL ISR TOTAL (With Gas Expansion)							
Amount does not include incremental paving associated with new RI Paving Law or PE Stamps	\$156,398	\$136,158	(\$20,240)	\$184,086	\$163,236	(\$20,935)	
Incremental Costs							
PE Stamps	\$1,403	\$0	(\$1,403)	\$1,515	See Note 1	(\$1,515)	
Incremental Paving - Main Installation	\$4,197	\$0	(\$4,197)	\$5,596	\$0	(\$5,596)	
Incremental Paving - Patches	\$3,601	\$0	(\$3,601)	\$4,801	\$0	(\$4,801)	
Incremental Paving - Southern RI Gas Expansion	\$2,614	\$0	(\$2,614)	\$2,614	See Note 2	(\$2,614)	
Incremental Costs Total	\$11,814	\$0	(\$11,814)	\$14,526	\$0	(\$14,526)	
CAPITAL ISR TOTAL (with Gas Expansion, PE Stamps, and Incremental Paving)	\$168,212	\$136,158	(\$32,054)	\$198,612	\$163,236	(\$35,461)	

PUC 3-3 - Updated Table 3

**RI Gas ISR Historical Spend (with FY 2021 Forecast and FY 2021 Approved Budget)
(\$000)**

Investment Categories	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021
	Actual	Actual	Actual	Actual	Actual	Forecast Thru Q3	Budget
NON-DISCRETIONARY							
Public Works	\$ 7,732	\$ 8,597	\$ 14,590	\$ 13,575	\$ 16,523	\$ 14,322	\$ 17,368
Mandated Programs	\$ 16,861	\$ 16,370	\$ 22,110	\$ 18,868	\$ 19,043	\$ 18,062	\$ 21,684
Damage / Failure (Reactive)	\$ -	\$ -	\$ 1,610	\$ -	\$ -	\$ 93	\$ 249
Special Projects	\$ -	\$ 5,020	\$ 1,780	\$ 8,486	\$ -	\$ -	\$ -
NON-DISCRETIONARY TOTAL	\$ 24,592	\$ 29,987	\$ 40,080	\$ 40,928	\$ 35,566	\$ 32,477	\$ 39,301
DISCRETIONARY							
Proactive Main Replacement	\$ 58,386	\$ 48,872	\$ 51,210	\$ 52,548	\$ 58,032	\$ 56,808	\$ 59,250
Proactive Main Replacement - Large Diameter LPCI Program	\$ -	\$ -	\$ 1,180	\$ -	\$ 1,115	\$ 1,438	\$ 3,398
Atwells Avenue	\$ -	\$ -	\$ -	\$ 81	\$ 906	\$ 5,520	\$ 5,081
Service Replacement - Proactive	\$ 1,789	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ 350
Reliability	\$ 7,914	\$ 8,403	\$ 13,950	\$ 10,290	\$ 15,933	\$ 25,451	\$ 36,246
Special Projects	\$ 1,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DISCRETIONARY TOTAL	\$ 69,277	\$ 57,275	\$ 66,330	\$ 62,918	\$ 75,986	\$ 89,377	\$ 104,325
Base ISR Capital Total (Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 111,552	\$ 121,854	\$ 143,626
Southern RI Gas Expansion Project	\$ -	\$ -	\$ -	\$ -	\$ 42,729	\$ 41,382	\$ 40,460
Capital ISR Total (With Gas Expansion, but Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 154,281	\$ 163,236	\$ 184,086
Incremental Costs						See Note 1	\$ 14,526
Capital ISR Total (With Gas Expansion, With Incremental Costs, but Excluding Growth)	\$ 93,869	\$ 87,262	\$ 106,410	\$ 103,846	\$ 154,281	\$ 163,236	\$ 198,612
O&M Total	\$ 464	\$ 488	\$ 560	\$ 179	\$ -	\$ -	\$ -
GAS ISR GRAND TOTAL	\$ 94,333	\$ 87,750	\$ 106,970	\$ 104,025	\$ 154,281	\$ 163,236	\$ 184,086

Note 1: Forecasts for incremental costs are contained within the applicable ISR categories that will incur the costs.

PUC 3-19

Request:

Referring to the Purchase Meter program for FY 2021, the Company's filing stated at Bates pages 108-109 of the FY 2021 filing:

"Capital costs for the Purchase Meter Replacement program are required for the procurement of replacement meters. For FY 2021, the Company proposes to purchase 22,000 meters. The meter replacements are part of a multi-year plan and 22,000 meters represents approximately 7.8 percent of the existing meter population in Rhode Island, at a cost of \$4.85 million."

To date, how many meters were purchased by the Company in FY 2021, and when were the meters purchased?

- (a) How many meters does the Company forecast it will have purchased by the end of FY 2021?
- (b) What was the average cost per meter and the total cost of the meter purchases for FY 2021?
- (c) Of the meters purchased for FY 2021, how many were actually installed?
- (d) Of the meters purchased, how many were placed into inventory?
- (e) What is the annual revenue requirement that is associated with the purchase of meters in FY 2021.

Response:

To date, the Company has purchased 8,820 meters. Below are the quantities and associated date of purchase:

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-19, page 2

Meter Description	Quantity	Confirm Date
I250TC w/erts	979	5/29/2020
I250TC w/erts	898	5/29/2020
R275 TC w/ert	510	6/25/2020
R275 TC w/ert	765	6/25/2020
R275 TC w/ert	979	6/30/2020
R275 TC w/ert	510	6/30/2020
I250TC w/erts	898	7/6/2020
R275 TC w/ert	979	7/6/2020
AC 630 TC w/ert	123	7/20/2020
AC 630 TC w/ert	123	7/20/2020
AL 1000 TC w/ert	92	8/21/2020
I250TC w/erts	979	8/28/2020
400A w/ert	163	10/9/2020
1000A TC w/ert	123	10/9/2020
3M175 ES3 Meter	51	11/5/2020
RM1500 ADEM-T w/ert Installed	17	11/5/2020
RM3000 ADEM-T w/ert installed	21	11/5/2020
RM5000 ADEM-T w/ert installed	13	11/5/2020
1000A TC w/ert	122	11/9/2020
15C175 ES3 Meter	26	11/9/2020
5M175 ES3 Meter	21	11/9/2020
7M175 ES3 Meter	13	11/9/2020
11M175 ES3 Meter	4	11/9/2020
16M B3 Meter	4	11/9/2020
AL 425TC w/ert	122	11/18/2020
AL 425TC w/ert	122	11/18/2020
400A w/ert	163	11/18/2020

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-19, page 3

- a) The Company forecasts that it will purchase 17,820 meters in FY 2021 for Mandated Meter Purchases.
- b) The projected total cost of meters for FY 2021 is \$4.933 million. The average unit cost of the meters is approximately \$300 per meter. The total dollars are fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.
- c) Of the meters purchased in FY 2021, the Company has installed 3,270 meters as part of the Mandated meter program.
- d) The Company has added 5,550 meters to the mandated meter purchase inventory, FY 2021 year-to-date.
- e) Please refer to the chart below. Line 6 represents the annual revenue requirement associated with the FY 2021 approved meter purchases budget of \$4,852,000 for fiscal years 2021 through 2025. Similarly, Line 7 represents the annual revenue requirement associated with the updated FY 2021 Purchase Meter forecast of \$4,933,000.

The Company has employed the same methodology described in its response to Data Request PUC 1-17 to calculate the FY 2021 revenue requirement by line item. Please refer to the calculation of the revenue requirement ratio in the chart below on Lines 1 through 5.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-19, page 4

Line No.	Description	Purchase Meter	FY 21	FY 22	FY 23	FY 24	FY 25
		(a)	(b)	(c)	(d)	(e)	(f)
1	Depreciation, Return and Taxes associated with FY21 investment		\$7,524,753	\$15,098,354	\$14,755,678	\$14,415,443	\$14,077,468
2	Property tax associated with FY21 investment		\$5,263,000	\$4,953,000	\$4,832,000	\$4,710,000	\$4,589,000
3	Total revenue requirement associated with FY21 investment		\$12,787,753	\$20,051,354	\$19,587,678	\$19,125,443	\$18,666,468
4	Total FY21 Investment Plan Spend		\$198,612,000	\$198,612,000	\$198,612,000	\$198,612,000	\$198,612,000
5	Revenue Requirement Ratio of FY21 Capital Investment		6.44%	10.10%	9.86%	9.63%	9.40%
6	Approved FY 21 Budget	\$4,852,000	\$312,398	\$489,845	\$478,518	\$467,226	\$456,013
7	FY 21 Forecast	\$4,933,000	\$317,614	\$498,023	\$486,506	\$475,026	\$463,626

Line Notes:

- 1 Attachment PUC 3-1-1, P1, L5
- 2 Attachment PUC 3-1-1: (b) (c): P36, L53 (g) & (k); (d)~(f), P37, L70 (c), (f), (i)
- 3 Sum of Lines 1 through 2
- 4 Docket No. 4996, Section 2, Table 1 (Bates page 135)
- 5 Line 3 ÷ Line 4
- 6 Line 5 × Line 6(a)
- 7 Line 5 × Line 7(a)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-20

Request:

Please explain the effect, if any, of the pandemic on the ability of the Company to carry out its meter replacement program during FY 2021 and what the Company's expectations are for FY 2022.

Response:

Due to the COVID-19 Pandemic, the RI Meter Change Program was suspended mid-March 2020 and resumed in late September 2020. This resulted in a decrease in meters changed for FY21. At the close of December 2020, the Company changed 3,270 meters against the Company's FY goal of 18,000 meters. The Company expects to complete 6,970 meters changes for FY21 by March 31, 2021.

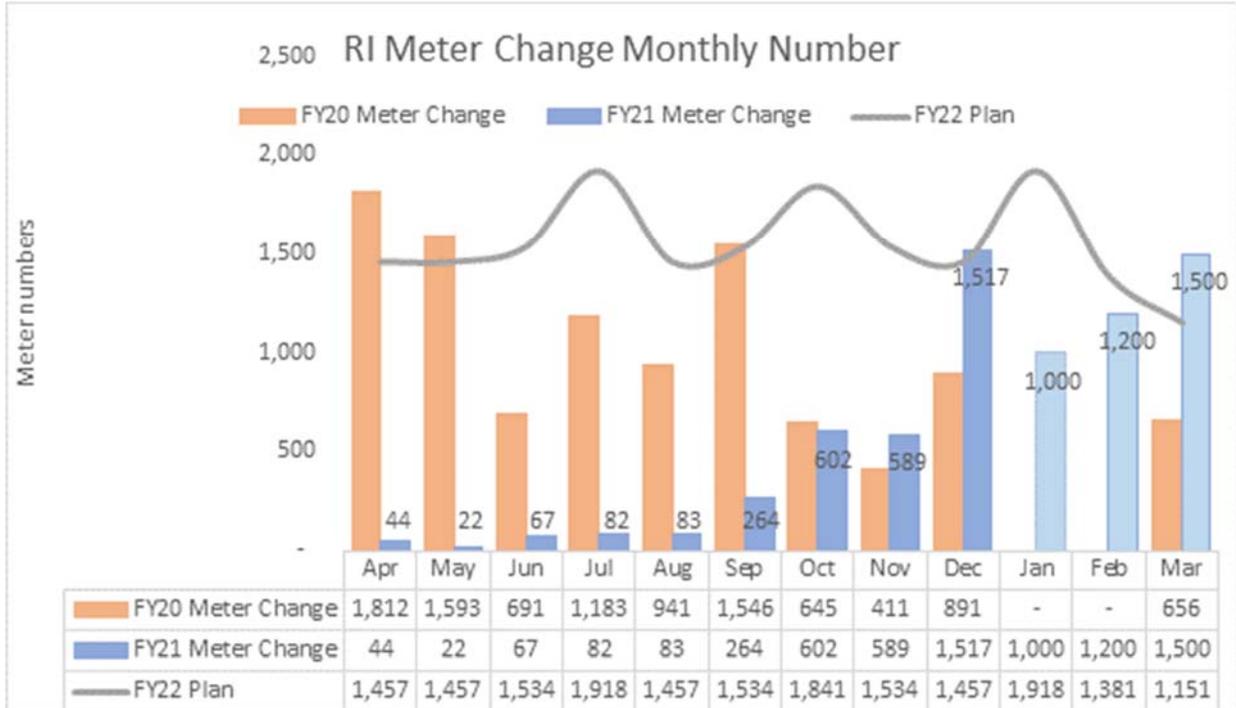
The Company's FY22 plan is set at 18,640 meters. The call center will increase the number of appointments they schedule to meet that meter change goal and will also increase attempts for meter change credits. The work plan assumes that there are no COVID-19- related work restrictions for the remainder of FY 2021 or FY2022. Please note that for Service Quality reporting, the meter change measure is compiled on a calendar year basis.¹

The chart below shows FY20 vs FY21 actuals along with the Company's FY22 plan.²

¹ On January 29, 2021, the Company filed its Quarterly Report on Service Quality Plan (Gas Operations) ("Service Quality Report") for the second quarter of fiscal year 2021 with the PUC. The second quarter Service Quality Report also constitutes the calendar year report for the Meter Testing metric. The calendar year 2020 results fell short of the metric due to the COVID-19 Pandemic. The Meter Testing results contained in the Service Quality Report vary from that which is contained in this response because the data is based on the calendar year (i.e. January 1, 2020 through December 31, 2020) whereas the data provided in this response is for FY 2021 (i.e. April 1, 2020 through March 31, 2021).

² The number reported in the month of March for FY 2020 reflects the total meters changed for January, February, and March.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021



The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-21

Request:

Referring to the Purchase Meter program for each fiscal year from FY 2017 through FY 2020,

- (a) Please provide the number of meters (and the associated dollar value) the Company forecasted it would install in each fiscal year in the original budget, compared to the number actually installed in each fiscal year, and
- (b) For each fiscal year, please identify the number of meters (and associated actual dollar value) that went to inventory, if any.

Response:

- (a) The table below outlines the forecasted number of meter changes per year, the actual meter changes, and dollar value of the meters being installed. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Forecasted Meter Changes (Quantity: Value)	14,000: \$3,913,140	14,000: \$2,317,280	18,000: \$3,718,980	18,000: \$3,757,140
Actual Meter Changes (Quantity: Value)	7,931: \$2,216,794	14,383: \$2,380,674	14,209: \$2,935,721	10,369: \$2,164,321

- (b) The table below outlines the increase in meter inventory for each year, along with the associated dollar value. The dollar value is fully loaded, which includes raw material cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

	FY17	FY18	FY19	FY20
Meter Inventory at Year End (Quantity: Value)	8,733: \$2,440,933	8,740: \$1,446,595	9,767: \$2,018,033	9,880: \$2,062,336

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-22

Request:

For FY 2022, please identify the number of meters (and associated actual dollar value) the Company forecasts it will install compared to purchases that will go to inventory, if any.

Response:

The Company forecasts that it will install 18,640 meters in FY 2022, which equates to \$5.592M in loaded meter dollar value. The Company forecasts that at the end of FY2022, inventory will be 12,245, which equates to \$3.673M loaded meter dollar value. The total dollars are fully loaded, which includes meter cost, gas communication modules, meter lab labor, capital overheads, labor burdens, meter refurbishments, sales tax and deliveries.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-26

Request:

Please quantify the impact on the FY 2021 revenue requirement that related to the proposed purchase of 22,000 of meters. Please also quantify the impact on the FY 2022 revenue requirement that relates to the proposed purchase of 18,600 meters.

Response:

The FY 2021 approved purchase meter budget is \$4,852,000. As indicated in the Company's response to PUC 3-19, the associated FY 2021 Plan revenue requirement is \$312,399.

The \$2,880,000 purchase meter budget included in the FY 2022 Plan reflects the purchase of approximately 9,600 meters, which is the difference between approximately 18,600 meters required in FY 2022 and the 9,000 to be pre-purchased in FY 2021. The forecasted value of the 9,000 meters being purchased in FY 2021 is \$2,047,856.

Please see the table below at Line 2(c); \$206,833 is the FY 2022 revenue requirement of the 9,000 meters to be purchased in FY 2021. At Line 4(c), \$167,040 represents the FY 2022 revenue requirement impact associated with the proposed FY 2022 purchase of 9,600 meters. In total, at Line 5(c), \$373,873 is the total FY 2022 revenue requirement impact related to the proposed purchase of approximately 18,600 meters. The Company has employed the same methodology described in response to Data Request PUC 1-17 to calculate the FY 2022 revenue requirement impact of individual budget line items.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-26, page 2

No.	Item	Investment (a)	FY21 (b)	FY22 (c)
1	Revenue Requirement Ratio of FY21 Capital Investment		6.44%	10.10%
2	9,000 Meters Pre-purchased in FY21	\$2,047,856	\$131,882	\$206,833
3	Revenue Requirement Ratio of FY22 Capital Investment			5.80%
4	FY22 Proposed Purchase Meter	\$2,880,000		\$167,040
5	FY22 Revenue Requirement Impact of 18,600 meters		\$131,882	\$373,873

Line Notes:

- 1 Per Line 5 of the table included in the response to PUC 3-19, Part (e)
- 2 Line 1 × Line 2(a)
- 3 Per Line 26 of the table included in the response to PUC 1-17
- 4(a) Section 2, Table 1 (Bates page 76)
- 4(c) Line 3 × Line 4(a)
- 5(b) Line 2(b)
- 5(c) Line 2(c) + Line 4(c)

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-28

Request:

Referring to the Purchase Meter programs for FY 2021 and 2022, please explain why the Company's budget for FY 2021 estimated the cost for 22,000 meters at \$4.85 million (an average cost of \$220 per meter), while the Company's budget for FY 2022 estimates the cost for 18,600 meters at only \$2.88 million (an average cost of \$155 per meter).

Response:

The Company's forecasted FY2021 End of Year spend for meter purchases is estimated to be \$4.93M, totaling to roughly 17,820 meters. The Company's FY 2022 proposal is \$2.88M to purchase roughly 9,600 meters, which equals a unit cost of roughly \$300 per meter. With the expediting of Itron I-250 meters into FY 2021 (to add to FY 2022 inventory), this lessened the need for diaphragm meter orders in FY 2022. The remaining 9,600 meters needing to be purchased in FY 2022 contains a higher percentage of rotary and turbine orders in total compared to previous years. As a result, the overall unit cost is higher than previous years.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5099
In Re: Gas Infrastructure, Safety, and Reliability Plan FY2022
Responses to the Commission's Third Set of Data Requests
Issued on January 19, 2021

PUC 3-29

Request:

Referring to Bates page 52 and the statement that “The Company is pursuing an opportunity to purchase approximately 9,000 FY 2022 meters in FY 2021, before a supplier price increase takes effect in FY 2022,” please provide a more complete explanation of this endeavor, including cost savings estimates and the extent to which meter costs are expected to rise with the price increase.

Response:

One of the three primary suppliers of 250 class diaphragm meters, Itron, informed the Company that their 250-class meter (I-250) will increase in price by 30%. The unit cost has changed from \$70.00 to \$92.26 per meter, which will go into effect the 1st day of FY 2022. By pre-purchasing roughly 9,000 meters in FY 2021, the Company will save approximately \$200,000 in base meter cost, which totals approximately \$500,000 in total costs (including labor, overheads, burdens, sales tax and delivery charges) for FY 2022.